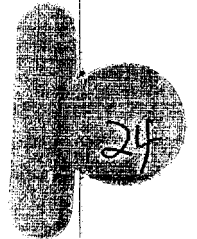


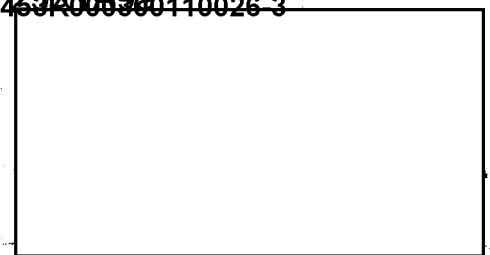
OGC HAS REVIEWED.



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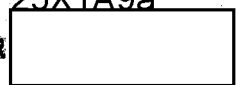
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MEMORANDUM FOR



SUBJECT : Procurement Division Documents

1. This folder contains extra copies of some Procurement Division documents. It illustrates a situation of which there have been three or four recently and about which PD is somewhat concerned.

2. Although the usual requisition form has been employed and PD has the responsibility for writing a contract what is really intended here is a subsidy which is probably not, in any realistic sense, a "procurement".

3. In DD/P when a subsidy is desired a project is approved by proper authority and then forwarded to the Project Administrative Planning Staff which devises and executes any needed contracts. These few cases that ~~DD/P~~ PD have arisen on the DD/I side of the shop.

4. Apparently DD/I has only three or four of these a year, not enough to warrant a special set up for handling like DD/P has. The possibility presents itself, of course, that these occasional DD/I cases might be routed to PAFS in order to take advantage of the knowledgeability of that component. The procedures for project approval (I have forgotten the regulation number but it is the last one or one of the last two or three in the regulation book) require that projects involving over \$25,000 go the the Project Review Committee for approval. Those below \$25,000 may be approved by the Deputy Director concerned. You will note that the attached papers reflect a transaction involving less than \$25,000. Under the regulation the DD/I may then call upon OGC and Logistics, among others, for any assistance he requires. Therefore the DD/I is behaving properly in handling these cases the way he is. However, the concern of PD that they don't really know what they are doing in these cases probably has some basis in fact and the possibility of developing an alternative method of handling should certainly

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be explored further. About a month ago Larry called [redacted] in DD/I and indicated the problem in general terms. [redacted] will not then be completely unfamiliar with the issue if you should wish to discuss it with him. [redacted] of Procurement has 25X1A9a several additional cases which he could provide you.

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[redacted]
Assistant General Counsel

Attachment

GGC/RPB:jcf

Distribution:

- Orig. - Addressee
- 1. - Subject ✓
- 1. - Signer
- 1. - Chrono

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